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## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

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The following is a translation of a statement dated 20 June 1953 of the Executive Council, Sarekat Buruh Minjak (SBM) (Oil Workers' Union), North Sumatra, urging the return of the oil fields in North Sumatra to production.

Pengkalan Brandan, 20 June 1953

We, the Executive Council of the Sarekat Buruh Minjak Sumatra Utara, established at Pengkalan Brandan, hereby declare:

## 1. Having taken into consideration:

## a. The situation in oil fields in North Sumatra and environs:

- (1) The disturbances in the labor class because of sufferings and bitterness of livelihood since many years;
- (2) The situation in the oil fields, which shows no improvement, but on the other hand is getting worse; for instance the lockout brought about because they fail to pay taxes amounting to over three million rupiahs;
- (3) The oil fields in North Sumatra in Atjeh are also in debt to a third party amounting to R 3,036,126, and are in default of paying the wages of their workers; thereby giving rise to suspicion that so much money has been wasted;
- (4) Increase of damages in oil sources brought about by poor maintenance, thereby giving rise to losses in resources to the State.

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## b. The population:

- (1) Disturbances brought about by heavy burdens on livelihood as the consequence of economic failure;
- (2) Increase in number of unemployed because of absence of work;
- (3) Unemployment of laborers, who are now roaming about in search of work.

## 2. Having taken into consideration:

- a. Such situations cannot be tolerated forever, since they tend to grow worse.
- b. The only way of easing the situation is to rebuild the oil fields in North Sumatra, as hope can thereby be ascertained:
  - (1) In addition to yielding social security to the workers, it may re-create livelihood both directly and indirectly and may thereby do away with unemployment;
  - (2) It may obviously yield income for the Treasury of the Land;
  - (3) The actual state of affairs affecting the oil fields in North Sumatra now brings about losses both to the State and to labor.
  - (4) It is very hard to re-exploit the oil fields in North Sumatra, as it was very easy for the concession-holders (the Bataafsche Petroleum Maatschappij (BPM) to increase production throughout Indonesia to over three million tons a year.

## 3. Assuming a policy

- a. Of limiting the present situation within bounds, we suggest that it is reasonable for the Government to take into serious consideration the application of the BPM to re-exploit the oil fields in North Sumatra with stress on the increase of production.
- b. The reinstallation of the oil field concession will obviously stipulate conditions which will not bring about losses for the State and for labor.
- c. In view of the realistic situation, the reinstallation will, psychologically speaking, be accepted by society, since nobody can tolerate the present difficulty any longer.
- d. Even though the exploitation be undertaken by a foreign company, it can still be accounted for both politically and economically, since the control thereon lies in the hands of the Government.

## 4. Taking Decision

- a. Demanding of the Government that the oil fields in North Sumatra no longer be deserted as now.
- b. Requesting the reinstallation with the least possible delay for the sake of the State, people, and labor in conformity with the policy adopted by the Minister of Economy, R. Sumanang, LL.M., in Wilopo's Cabinet.

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- c. Fully supporting the standpoint of the Minister of Economy, R. Sumanang, LL.M., in Wilopo's Cabinet, that of the State Committee on Oil Concessions, the council of the Ministers of Economy and of Finance, and with the conclusion taken by His Excellency the President, who visited Pangkalan Brandan on 25 July 1951.
- d. Urging that the matter pertaining to the reinstallation of the oil fields in North Sumatra be technically settled by the new Cabinet, in case Wilopo's Cabinet has not taken any decision relative thereto.

This statement is submitted to: His Excellency the President, His Excellency the Vice-President, the Cabinet Formateur, the Ministries and Government bodies concerned, the Chairman of the Parliament, the Federation of Oil Labor Unions of Indonesia, the Press and the Radio.

The Executive Council of the Sarekat Buruh Minjak  
Sumatera Utara at Pangkalan Brandan.

General Secretary, R. Ruwadhie. (Signed)

Organization Secretary, Karno. (Signed)

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